

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
CIVIL MINUTES

Case Title: P&M Samra Land
Investments LLC

Case No.: 15-29136 - A - 12

Docket Control No. NCK-14

Date: 02/20/2018

Time: 10:00 AM

Matter: [556] - Motion/Application to Modify Chapter 12 Plan [NCK-14] Filed by Debtor P&M Samra Land Investments LLC (mfrs)

Judge: Michael S. McManus
Courtroom Deputy: Sarah Head
Reporter: Electronic Record
Department: A

APPEARANCES for:

Movant(s) :

Debtor's Attorney - Noel Knight

Respondent(s) :

Trustee - Jan Johnson; Creditor's Attorney - Paul R. Cotter

CIVIL MINUTES

Final Ruling: The motion will be granted.

The debtor asks the court to modify its chapter 12 plan confirmed on March 29, 2017. Docket 502. The debtor wishes to modify the plan in order to delay the initial annual payment date from December 25, 2017 to March 26, 2018 and to reimburse secured creditor Socotra Capital for funds advanced to cure the debtor's property tax arrears by March 26, 2018. The debtor also seeks authority establish a payment plan for any outstanding property tax arrears owed to Sutter County.

Creditor Ag-Seeds Unlimited opposes the motion challenging the feasibility of the plan.

11 U.S.C. § 1229 allows the court to modify a chapter 12 plan after confirmation to:

(1) increase or reduce the amount of payments on claims of a particular class provided for by the plan,

(2) extend or reduce the time for payments due under the plan,

(3) alter the amount of the distribution to a creditor whose claim is provided for by the plan to the extent necessary to take account of any payment of such claim other than under the plan, or

(4) provide for the payment of a claim described in section 1232 (a) that arose after the date on which the petition was filed.

The reason for the extension in the initial annual plan payment is due to planting delays with regard to the debtor's \$1 million fulfillment contract for corn. The debtor expects to have access to both income from the corn fulfillment contract as well as funds from a new operating loan valued at approximately \$750,000 before March 26, 2018.

In order to protect the priority of their lien on the debtor's property, creditor Socotra Capital advanced the debtor's outstanding post-petition delinquent property tax obligations in the amount of \$30,120.80 to Sutter County on October 31, 2017 and recorded a notice of default and intent to sell on the subject property on December 8, 2017. The debtor contends that property tax payments were inadvertently omitted from the original plan. The debtor seeks to reimburse Socotra Capital for the forwarded tax arrears payment on or before March 26, 2018 in exchange for removal of the notice of default and seeks authority to provide payment for any further property tax arrears.

Given the above production setback and inadvertent omission of property tax payments, the court is willing to grant the motion and modify the plan to extend the deadline for the annual plan payment to March 26, 2018 and to include payment of debts related to property tax arrears. Due to multiple prior motions to dismiss the case filed by the trustee and creditors, the court will dismiss the case if the debtor fails to tender payments due by the modified deadline.

The motion will be granted.

ORDER TO BE PREPARED BY: Movant(s)